

NEW PRODUCT ADVISORY No. 03-008

A FULL SERVICE PLAN'S EXCLUSION OF DRUGS WHEN PRESCRIBED TO SHORTEN THE DURATION OF THE COMMON COLD

ACTION: Order of Approval Issued July 30, 2003

Material modification proposing exclusion of drugs when prescribed to shorten the duration of the common cold.

Filing No. 20036279

Filed July 3, 2003

SUMMARY

A particular Plan initially proposed to exclude “drugs to shorten the duration of the common cold” in all of its contracts. The Department advised the particular Plan that the proposed exclusion was overly broad, as it could operate to exclude drugs that may be medically necessary to treat other conditions either now or in the future. The Department advised the particular Plan that in order to comply with the Knox-Keene Health Care Services Plan Act of 1975, as amended (Health and Saf. Code Section 1340 *et seq.*) and the regulations adopted thereunder (Cal Code Regs., title 28 Section 1300.43 *et seq.*), the Plan must narrow the scope of the proposed exclusion. As a result, the particular Plan revised the proposed exclusion to exclude “drugs *when* (emphasis added) prescribed to shorten the duration of the common cold.”

BASIS OF ACTION

Health and Safety Code Sections 1342.7, 1367(e), and 1367.24 and California Code of Regulations Title 28, Section 1300.67.24 require plans that cover outpatient prescription drugs to cover all medically necessary prescription drugs, unless a Plan has filed a material modification with the Department and received approval from the Department to limit or exclude a particular drug under stated conditions. The particular Plan filed a material modification pursuant to Section 1342.7 and provided the Department with clinical and projected utilization data.

Specifically, the evidence suggests that in order to be effective drugs currently under development to shorten the duration of the common cold must be administered within 36 hours of infection, an abbreviated window that minimizes the likely efficacy of such medication. Additionally, even if administered in a timely manner, the evidence suggests that such drugs, if effective at all, would be likely to provide at best only a day's relief of minor symptoms, would not alleviate symptoms in all patients, and would result in costly prescriptions merely to relieve minor symptoms associated with a non-serious, temporary medical condition. Based on this information, the Department concluded that an exclusion for drugs when prescribed to shorten the duration of the common cold would be clinically appropriate.